

The Conference Board MANAGEMENT RECORD

DECEMBER, 1941

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National Industrial Conference Board, Inc.

VOL. III, No. 12

Fact and Comment

Strike Prevention

MANY TIMES during the long controversy over methods of reducing the menace of strikes, first to industrial recovery and, more recently, to national defense, it has been urged that the best solution would be an adaptation to industrial conditions of the machinery for settling disputes provided in the Railway Labor Act. It is debatable whether recent events in connection with the demand by the railroad unions for a 30% increase in wages have strengthened or weakened this argument. To be sure, the matter has finally been settled without recourse to a strike, but not before belief in the infallibility of the railroad mediation machinery had suffered a serious setback.

The Railway Labor Act was not a management-inspired piece of legislation. Not only did the railroad unions approve the bill but they actively exerted their influence in Congress to insure its passage, and it was hailed at its enactment in 1926 as a long step in the direction of peaceful settlement of labor disputes. It provided for a Board of Adjustment and a National Mediation Board that were expected to secure satisfactory settlement of ordinary disputes, but chief interest in the Act centered on its provisions for settling major difficulties when the Mediation Board was unable to secure agreement, and arbitration was declined by one or both parties. In such cases the Mediation Board would notify the President that a disagreement existed which threatened "substantially to interrupt interstate commerce," whereupon the President would appoint a special board "to investigate and report respecting such dispute." The special board was required to report its findings to the President within thirty days, and for thirty days thereafter neither party, except by agreement, could make any change in the conditions over which the dispute arose.

This was not intended to constitute or amount to compulsory arbitration. Rather, it was believed that public opinion would force the acceptance, both by railroad labor and management, of the findings of these impartial and disinterested boards. And from 1926 until 1941 this expectation was borne out by events as a considerable number of disputes were amicably settled in this way.

Recently, however, the effectiveness of this procedure was subjected to its severest test. The five operating and 14 non-operating unions, representing a very large proportion of all railroad employees, filed demands, chief among which was a 30% increase in wages. Of course, no one was so naive as to take seriously the 30%. It is familiar collective-bargaining technique to set initial demands well above expectations, to leave an ample area for negotiation. But in this case the size of the initial demand seemed to serve notice that no normal increase that might be awarded would be acceptable. And from the start there were evidences that here was a controversy that seemed destined to depart from the accepted pattern of railroad settlements.

The President appointed an able board to find the facts and report to him, and so thoroughly did it explore the issues involved that it found it necessary to ask for an extension of time. Its report, when filed, called for an increase of 7½% in the wages of the operating employees and 17½% for the non-operating employees. According to precedent, the matter should have ended there, with an outwardly reluctant acceptance of the findings by both parties to the dispute. But in this case the matter did not end there. The operating unions immediately announced their dissatisfaction with the award. The non-operating unions, although probably well satisfied with the increase

recommended for them, could not very well desert their operating colleagues, and so, rather unconvincingly, expressed their disapproval of the Board's findings. The railroad managements accepted the Board's recommendations.

To make the disapproval of the unions more dramatic, a strike call was sent out, which, if made effective, would have paralyzed every railroad in the country between December 7 and December 9. The President asked the railroad union and management representatives to meet and try to find a basis for agreement. After many hours of discussion these representatives reported their inability to agree. The President then reconvened the special board that had originally reported on the controversy and it again went into session with the management and union representatives as a board of mediation. Eventually a settlement was reached.

What is the conclusion to be drawn? Did the Railway Labor Act again prove its efficacy as a strike preventer, or did it really fail when subjected to a critical test? Apparently it failed, because after the series of steps provided in the Act had been completed, the net result was a strike call. Apparently fear of public opinion did not insure acceptance of the findings

of the President's fact-finding board. Whether a strike would actually have resulted had the President not persisted in his efforts to force an amicable settlement cannot be known except perhaps to those on the inside, but it is obvious that had railroad transportation been halted, particularly at this time, the public reaction would have been so unanimous and so violent that the government could have counted on public support of any measures, however drastic, to end a situation that would have been intolerable.

If the railroad unions, that are expected as a matter of public necessity to agree to peaceful settlement of disputes, and that through the years had attained a high degree of internal discipline, consider the machinery set up in the Railway Labor Act merely as steps to be taken before they can legally call a strike, how could such a machinery be expected to prevent industrial strikes where the public interest is much more remote and where the control of union leaders over members is much less effective? The conclusion seems to be that strike prevention is not a matter of techniques or procedures, but one of attitudes on the part of both parties to the dispute, influenced by a more informed and articulate public opinion than has so far made itself felt.

Colored Labor in Skilled Trades

EQUALITY of opportunity is generally listed as one of the essentials of democracy. Discrimination on the ground of race, color or creed supposedly has no place in a liberal society. And yet such discriminations are commonplaces and are accepted as more or less inevitable, until, perhaps, some emergency demonstrates that there is no sound basis for them.

With skilled labor becoming more and more scarce because of defense requirements, new sources are being sought. One such source is colored labor, which, generally speaking, has in the past been restricted in industry to well-defined occupational levels, mainly common labor and janitor service and some of the more exhausting and disagreeable semi-skilled jobs. No one would seriously question the ability of large numbers of colored men to absorb the necessary knowledge to qualify as skilled mechanics, but relatively few have been found holding such jobs. Why?

An article in this issue presents the results of a survey,

covering 402 manufacturing companies, intended to determine the extent to which colored men were gaining access to skilled occupations as a result of the present need for skilled men. Apart from the statistical data regarding policy and trends, perhaps the most significant indication is that resistance to the opening of skilled jobs to colored men comes mostly not from management but from the white employees. In the past, organized labor has not helped colored workers to attain equal status with white employees, but in many cases this attitude has since been reversed. There seems to remain, however, an instinctive opposition to accepting colored co-workers on a basis of full equality, but if the needs of the present emergency require the admission of qualified colored mechanics to trades where they are badly needed, barriers erected by precedent may be broken down and all concerned be the better for it.

H. F. B.

Employment of Handicapped Persons

BY JOHN B. KNOX

Associate Professor, Alabama College, Montevallo, Alabama¹

WITH INCREASING business activity there is naturally an increased demand for employees. If the demand cannot be supplied by persons now considered employable, there will be a tendency to add persons from groups which have frequently been excluded in the past. Already some companies have revised their requirements of experience, training and age for certain positions. Other revisions may be required if the demand for labor increases. For example, many companies may find it necessary to revise their policies on the employment of illiterates, ex-convicts and certain types of physical defectives.

In a period such as this, a company needs to use considerable caution in making additions, for it is easy to acquire employees who will be problems for years to come. However, the exclusion of certain groups, such as illiterates, ex-convicts, and physical defectives may not be the best method of avoiding personnel problems. To secure information which will be of value in this connection, letters were written to one hundred of the country's largest industrial corporations—excluding finance, insurance and utilities. The sixty-eight companies which replied do not necessarily represent a cross-section of American industry or even of large industry, but a knowledge of their policies and experiences should be valuable. The information was compiled early in 1941 before passage of the Lend-Lease Act and apparently before the defense effort had greatly influenced the demand for labor in private industry. Accordingly, the practices indicated may be regarded as normal practices and not as due to an emergency situation.

COMPANY PRACTICES

Our letter to the companies asked them to state their *practice* regarding the employment of illiterate persons, ex-convicts and physically defective persons. For practical reasons we did not attempt to define these terms exactly but left their construction to the correspondent. Many companies replied that each case is judged on its own merits. Others replied that their *policy* did not exclude any groups as such. These and similar replies did not indicate whether in actual practice the company employed applicants of the types specified. Accordingly, these replies are classified as "Doubtful."

¹Prof. Knox holds degrees from the University of North Carolina and Harvard, has taught at the American University, Beirut, Syria, and at Harvard. He was for two years in the personnel department of the Standard Oil Company (N.J.), and has acted as Personnel Consultant to General Foods Corporation.

Companies which made a definite statement regarding practice are classified under "Yes" or "No."

Table 1 shows a summary of the practices of the sixty-eight companies. Approximately one-fourth of the companies employ ex-convicts and defectives, and a third of the companies employ illiterates.

TABLE 1: EMPLOYMENT OF HANDICAPPED
Practices Among 68 Companies

	Percentage		
	Yes	Doubtful	No
Illiterates.....	34	47	19
Ex-convicts.....	24	40	36
Defectives.....	27	35	38

Table 2 shows the practices of the companies grouped by industry. Since the number of cases in some of the industries is small, the results are not given in percentages. It is apparent, however, that within the industries practices differ considerably. This would suggest that the differences in practice are due more to company policy than to an essential difference in personnel required for the work. This suggestion is supported by these two statements from competing companies:

Company A—"Physically defective persons: Our business is not such that we could readily find a place for physically defective persons. The few positions we have which could be handled by such persons are occupied by our own employees, who because of age or physical impairment, are not able to perform normal duties."

Company B—"Physically defective persons: We hire persons with physical defects, providing they qualify in other respects, on certain operations which can be performed efficiently and without danger to themselves or others. We have many employees on our payroll who have been with us over a long period of time who can neither hear nor talk. We have many other employees who have performed valuable services for our company although they are seriously handicapped physically."

Aside from the differences within the industries, there is evidence that persons in all three groups are employed by some industries more than by others.

EXPERIENCES OF CERTAIN COMPANIES

Comments on the employment of illiterates were rather indefinite. Some companies stated unequivocally that they did not employ illiterates while others indicated that illiterates were quite acceptable for some

TABLE 2: EMPLOYMENT OF HANDICAPPED, BY INDUSTRIES

	Total Companies	Illiterate			Ex-Convicts			Defective		
		Yes	Doubtful	No	Yes	Doubtful	No	Yes	Doubtful	No
Coal and Coke....	3	2	1	..	1	..	2	2	..	1
Foods.....	14	2	8	4	2	7	5	4	6	4
Machinery and Metal Products..	11	8	3	0	5	2	4	6	2	3
Merchandising (Retail).....	5	3	1	1	1	1	3	1	1	3
Metals (Production)....	8	4	2	2	2	3	3	2	1	5
Paper and Lumber..	4	2	1	1	..	3	1	2	1	1
Petroleum.....	7	..	5	2	2	3	2	..	4	3
Rubber.....	3	2	1	..	2	..	1	1	1	1
Others.....	13	..	10	3	1	8	4	..	8	5
Total.....	68									

jobs. There was little comment as to the experience which formed the basis for these decisions.

Regarding experience with ex-convicts there were a number of comments. Objections to employment of ex-convicts were on three bases: (1) That most ex-convicts do not desire to reestablish themselves and thus would be a liability to the company; (2) that the company employs with the idea of promoting persons to positions of responsibility and that the ex-convict would not qualify for promotion; and (3) that the ex-convict would be objectionable to fellow-employees. Interestingly enough, of the companies which objected to employment of ex-convicts, only one indicated that it had given such men a trial and this company apparently had not tried many. ("What few we have tried, the majority of them have not proved satisfactory employees.")

In contrast to those objecting are the statements of a few companies which have employed numbers of ex-convicts. The following are worthy of quotation:

Company C—"It has always been the policy of this company to help under-privileged persons. We have placed a great number of ex-convicts in our plant, and our experience with them has proven to us that these men have made good. Very rarely has one returned to his former way of living. Of course as in all cases there are exceptions, but in the main these men apparently put forth an effort to regain their place in society. When such a man is placed in the plant, no information is given out to his superiors or fellow workmen as to his past, for we believe that the stigma of his previous record should not be the cause of embarrassment to him."

Company D—"For your information, during the past twenty-seven years I have in many cases given employment to men who have served time for both minor and major crimes, and the percentage of men who have failed to make good is so small that it leads me to believe that oftentimes crime results from improper employment or no employment."

A number of companies engaged in defense work have discovered, since fingerprinting has been required, that

they have persons with prison records in their employ. In attempting to form a policy regarding such employees, the Baldwin Locomotive Works circularized a number of companies. In dealing with the problem of retention of ex-convicts, now employed, practically all companies stated that their decision would be influenced by: (1) seriousness of the crime; (2) period of satisfactory employment; (3) local situation. Only one company indicated a definite practice of dismissing employees who had been guilty of serious offenses. With their answers to this question, a number of correspondents commented on their policies regarding new employees. The comments were in accord with

those which we received. In discussing the matter of informing the supervisors of a person with prison record, two correspondents of the Baldwin Locomotive letter took the position that the supervisor should be told. This is in contrast with the practice stated in the quotation above. (Company C.)

On experience with employment of physical defectives, we have even more definite information. One company reported that it had approximately 18,000 physically defective persons on the payroll. Another commented that persons who have defective hearing are often superior for inspection work. Another reported that several blind girls are employed in a typing capacity and still another, of which I have heard, commented that a cheerful blind employee adds greatly to the morale of the organization, by making his fellow workers forget their own worries.

Several years ago the Western Electric Company made a detailed study extending over a year of the job performance of defective persons. The company employed 652 persons with the following distribution of defects:

	Per Cent
Vision—20/40 in one eye regardless of condition of other.....	49.7
Hernia.....	16.1
Varicocele.....	8.8
Hydrocele.....	1.8
Deformity or loss of member.....	19.4
Loss of organ as a result of surgery.....	3.3
Varicose veins.....	.9
	100.0

Each worker when employed was matched with a worker without defect. Study of performance of these persons on the job revealed that 7.9 per cent more of the normal than of the defective resigned, and that 7.4 per cent more of the normal were "relieved because they were not suited to type of work." In these respects the defective employees seemed to be clearly superior.

An intensive study was made of 115 defective persons who were matched with a like number of normal employees, the pairs representing "comparable data in all respects, even to the extent of the man hours exposure on the same job." Results were as follows:

Sickness—7 per cent more of the normal employees were absent because of sickness.

Accidents—5.6 per cent more of normal employees had accidents. (No lost-time accidents in either groups.)

Absences, personal reasons—9.5 per cent more of defectives were absent for personal reasons.

Income—No significant difference between the two groups.

Production—No figures available but supervisors reported favorably on defectives.

These facts suggest a slight superiority for the defective persons employed. Possibly this can be explained by the fact that they appreciated the chance given them and realized that if they did not make good they would have trouble getting another job. The only additional expense incurred in employing physical defectives was for periodic check-up to insure suitable placement. But an advantage of developing this procedure was found in the fact that the check-up was extended to persons impaired by sickness or injury while in the employ of the company. These employees had not previously received this special attention.

The general conclusion of the company was stated thus: "We are of the opinion that there is no real reason why people possessing certain vocational defects should not be employed by large industrial concerns. The results of our year's experience with vocationally handicapped workers were sufficiently satisfactory to make their acceptance a part of the standard practice of our Medical Department."

NUMBER OF HANDICAPPED

The number of handicapped is important to the employer, for it suggests, in a general way, the proportion of our population which might be made available if employment practices are revised. Percentage of illiteracy in population 21 years of age and over is shown in Table 3. For the United States as a whole the proportion is more than 5%. The percentage is greater in rural than in urban areas, but 4% of the urban population is illiterate and in the New England and Middle Atlantic States the urban percentage is higher than the rural. Undoubtedly the great majority of illiterate persons are unskilled laborers. Since unemployment has been high among unskilled laborers in recent years, many of them may now be available for private employment.

The total number of ex-convicts in the population cannot be determined exactly. However, it can be estimated from the number of prisoners discharged. Each

year approximately 60,000 persons are released from federal and state prisons and reformatories. More than 95 per cent of them are male. If we total the figures for the last 25 years, and deduct for ex-convicts who have died since release and for those who were committed and released more than once, it is probable that the result would be approximately a million.

Regarding physically defective persons, estimates have been made on the basis of the National Health Survey and various State Vocational Rehabilitation Bureaus and from studies made by the Federal Vocational Bureau. (*The Management Review*, November, 1940.) It is estimated that there are approximately 2,200,000 defective persons between the ages of 17 and 64, of whom 70 per cent are male and 30 per cent female. A year ago it was stated as a conservative estimate that approximately 14 per cent of these were unemployed and seeking employment.

The total of the three groups—illiterates, ex-convicts, and physical defectives—is approximately 7,500,000. Allowing for persons who fall into two of these groups and who would thus be counted twice, six million might be taken as a true total—approximately 7% of the population of the United States above 20 years of age.

TABLE 3: ILLITERACY OF PERSONS 21 YEARS OF AGE, AND OVER, IN THE UNITED STATES, 1930

Source: *Statistical Abstract of the United States, 1940*

Region	Percentage
New England.....	4.7
Middle Atlantic.....	4.5
East North Central.....	2.7
West North Central.....	1.8
South Atlantic.....	10.2
East South Atlantic.....	12.0
West South Atlantic.....	8.7
Mountain.....	5.1
Pacific.....	2.6
Total Urban.....	4.0
Rural.....	7.3
Grand Total.....	5.3

SOCIAL PHILOSOPHIES

Our letter to the corporations did not inquire whether they felt any responsibility to handicapped groups or what was the social philosophy behind their employment practices. However, a number of companies made comments indicating to some extent their social philosophies. Their comments may be of interest to other corporations.

One company stated quite clearly a position which is doubtless held by others:

Company E—"I might add that we contribute heavily to organized charities administering to the physically and mentally handicapped. While this does not mean that we would not employ such persons, nevertheless, we question very much whether industry is qualified or is the proper place to accomplish their rehabilitation."

In answer to the question raised, it may be pointed out that our evidence seems to show conclusively that industry is qualified to assist in the rehabilitation of certain illiterates, ex-convicts and physical defectives. Whether contribution to charities results in an equally efficient and equally desirable method of accomplishing the same end is open to question.

In discussing the employment of ex-convicts, one correspondent stated a triple responsibility of the management: (1) To the company's stockholders, to select for efficient production; (2) To the employees, to select persons who will be agreeable and safe to work with; (3) To society, to assist in rehabilitating the handicapped. Several other companies mentioned the first and second of these responsibilities as sufficient reasons for not employing handicapped persons. Only one company listed all three, which seems to be a clear statement of the management's responsibility to stockholders, employees, and society. The evidence presented in previous sections of this paper suggests that responsibility to stockholders and other employees would not require exclusion of all illiterates, ex-convicts, and physical defectives. Further, responsibility to society suggests that employment of persons in these groups should be seriously considered.

Another correspondent denied that industry has any responsibility for unemployment.

Company F—"If you study this subject of unemployment long enough you will discover the practices of industry have little whatever to do with unemployment. Ordinarily, industry requires a certain number of people to operate it. Within each classification, beginning with the highly skilled and ending with the lowest grade of labor, industry tries to get the best within the group. When the needs of the industry as a whole are filled, then the rest of those people who ordinarily look to industry for employment must either raise their fitness standards or else look to some other field of employment."

Though this writer states that the practices of industry have "little whatever to do with unemployment," the sentences which follow describe a procedure which may account for unemployment to a considerable extent. It is natural that business should seek the best possible personnel for any position. The government, following the same procedure in its Civil Service selections and in the operation of the Selective Service Act,

rejects most illiterates, ex-convicts and physically defective persons. (The Selective Service Board relaxed somewhat its policy on ex-convicts after protest.)

Seventy years ago more than 50% of the employed population of the United States was engaged in agriculture. Most of the industry was comparatively small. Many farms and small businesses "took care" of one or more relatives or friends who were defective, ex-convicts, or in some other way "not up to par." Today only 21% of the employed population is engaged in agriculture and all business is either large or has to compete with the standards of efficiency set by big business. This leaves little opportunity for "taking care" of the less competent. The changes in our occupational structure and the employment practices, which are a natural development, may account to a large extent for the problem of unemployment, which has come to be regarded as permanent. A careful study of company selection practices may reveal points at which they can be revised for the general welfare in normal times as well as for company welfare at a time of labor shortage. As experience indicates more definitely that it is practical to employ handicapped persons, many companies may want to employ them in proportion to the percentage of such persons in their communities.

CONCLUSIONS

1. That practices regarding employment of handicapped persons vary greatly, and that a sufficiently large number of corporations (one-fourth to one-third) employ such persons to indicate that it is practical.
2. That the experience of companies which have employed handicapped persons, using careful selection procedures, seems to have been uniformly good.
3. That the number of handicapped persons (probably 6 million adults) is large enough to constitute a considerable labor supply, and a considerable social problem if not employed.
4. That social philosophies regarding employment seem to vary greatly, and may be more important than experience in determining policies.
5. That study of each company's selection practices may reveal points at which they can be revised with profit to the company in this emergency and to the public in more normal times.

Cost-of-Living Adjustments—Supplementary Report

THE following tabulation gives the main provisions of a selected number of cost-of-living wage-adjustment plans now in force. This analysis supplements the article in the November *Management Record*, which discussed the motives for adopting these plans, their main provisions and gave an evaluation of the

experience of companies using them. A few plans included in the present tabulation have been received since the publication of the first article.

Several plans which had been in operation for varying periods up to twenty years were reported as having been discontinued, but the reasons for their abandon-

ANALYSIS OF MAIN PROVISIONS OF SELECTED COST-OF-LIVING ADJUSTMENT PLANS

Company	Details of Plan	Employees Eligible
RUBBER PRODUCTS..... Employment—1,500	Union agreement (11/22/41). For each 3-point change in BLS index for community, 3% adjustment in wages. Adjustment made monthly. Paid as part of regular wages	Union members
TEXTILE MILL..... Employment—532	Original plan, November, 1936; revised, 4/17/41. For each 5-point change in NICB index for community, 5% adjustment in wages. Paid as part of regular wages	Piece and time workers, salaried employees earning up to \$60 per week
HARDWARE..... Employment—450	Union agreement (July, 1940). For each 5-point change in BLS index for community, 5% adjustment in wages. Wages not to go below schedule of July 23, 1941. Paid as part of regular wages for wage earners, paid separately on quarterly basis for others	Employees, except salesmen who receive sales bonus
ELECTRICAL MANUFACTURER..... Employment—3,000	Union agreement (June, 1941). If during life of agreement BLS index for community increases by 3 points over May 15, 1941, 3% increase in wages granted, but not before December 1, 1941. No further increase. Paid as part of regular earnings	Union members
AUTO PARTS..... Employment—550	Union agreement. For each 2% change in BLS index for community, 2% adjustment in wages. Separate bonus, paid separately, weekly	Hourly rated employees
ENGINEERING.....	Union agreement (12/16/39). For each 5% change in BLS index for community, 5% adjustment in wages. Adjustment made quarterly. Paid as part of regular earnings	Hourly rated employees
BANKING..... Employment—400	Plan adopted 6/17/41. Any changes in BLS index for Oregon reflected in salaries. Percentage applied to base salary rate. No reduction in base salary. Adjustment made quarterly. Paid separately each month	Employees earning less than \$500 per month
FOUNDRY..... Employment—1,000	Union agreement. For each 5-point change in BLS index for community, 5% adjustment in wages. Paid as part of regular earnings	Union members
HEAT MEASURING INSTRUMENTS..... Employment—1,500	Plan adopted, 11/21/40. For each point change in BLS index for community, 1% adjustment in wages. Bonus ceases when index falls below 100. Subject to review if index reaches 125. Separate bonus, pay check is printed to show percentage. Adjustment made quarterly	All employees, including top management
PHARMACEUTICALS..... Employment—1,500	Plan adopted, August, 1941. \$12 per month bonus whenever NICB index for community increases 10% over January, 1939 level. Separate bonus paid monthly	Employees earning less than \$300 per month
WOOD PRODUCTS..... Employment—500	Union agreement (April, 1941). For each point change in BLS index (national average) over 107, 1% adjustment in wages. No wage cuts if index falls below 107. If index goes above 117, only 117 figure used. Paid as part of regular wages. Adjustment made monthly, formerly made quarterly	Employees
FLOOR COVERING..... Employment—500	Adopted, 1939. For each 5% change in NICB index for country, 5% adjustment in wages. Paid as part of regular wages	All except department heads and executives
TEXTILE MILL..... Employment—1,300	Union agreement (June, 1941). For each 5-point change in BLS index for community (base 102.7), 5% adjustment in wages. Paid as separate bonus	Factory and office employees
SHIPBUILDING..... Employment—5,000	Union agreements (June, 1941). BLS index on 15th day of 6th month from date of agreement taken as base. If cost of living index at end of year increased 5%, 5% increase in wages. If not 5% change at end of year, adjustment made when index reaches 5%. Thereafter adjustment made at 6 months' intervals if index changed 5%. Paid as part of regular wages	Union members
LEATHER..... Employment—1,034	Union agreement (10/7/41). For each 5% change in BLS index for community, 5% adjustment in wages. No decrease below scale of April 18, 1941. Paid as separate bonus, shown separately on check stub. Increase made retroactive to date on which index reached 5%. Decreases not retroactive	Production and maintenance employees
MERCANTILE CHAIN..... Employment—1,000	Plan adopted August, 1941. For each point change in BLS index or index compiled by Research Bureau of University of Pittsburgh (whichever is higher) 1% adjustment in wages. Maximum 10% increase adjustment. Basic wages not to be reduced. Paid as separate bonus. Adjustment made quarterly	Employees, except executives, major buyers and outside salesmen
HEAT CONTROL..... Employment—600	Union agreement (December, 1940). For each 5% change in NICB index, 5% adjustment in wages. Paid as part of regular wages	Union members (in office)
ELECTRIC RAZORS.....	Union agreement (March, 1941). For each 1% change in BLS index for community, 1% adjustment in wages. Minor fractions of 1% disregarded. No adjustment unless index changes 1 full per cent. Adjustment made quarterly. Paid as separate bonus, shown separately on pay check	All employees except administrative and field sales personnel
Plan covering several companies in a community	Separate plan. For each 5-point rise in BLS index for community, increase of 4¢ per hour as follows: index 108 to 113, 4¢ per hour; 113.1 to 118.0, 8¢ per hour; 118.1 to 123.2, 12¢ per hour. Separate bonus	Employees
METAL PRODUCTS..... Employment—4,077	Union agreement (May, 1941). For each full point change or major portion thereof, in BLS index for country, 1% adjustment in gross earnings. Maximum adjustment 10% increase. No decrease below rates in force when agreement signed. Adjustment made quarterly. Paid as part of regular wages	Factory employees
PUBLIC UTILITY..... Employment—1,600	Plan adopted 9/3/41. For each full point change in BLS index for community, 1% adjustment in wages. Maximum increase in adjustment, 10%. Adjustment made quarterly, paid as separate bonus monthly	Employees earning under \$300 per month
DEPARTMENT STORE..... Employment—700	Plan adopted 5/26/41. For each point change in BLS index for country, 1% adjustment in basic wage only. Maximum increase in adjustment, 10%. Basic wages in effect May 26, 1941 not to be reduced. Adjustment made quarterly. Paid weekly	Employees earning \$40 per week or less

ment were received too late for inclusion in the November article.¹

In one company, the cost-of-living adjustment plan was abandoned because it "seems to work one way. At least such was the case during the past twenty years. . . . Our rates automatically went up with increased cost-of-living adjustment, but it was difficult to get them down." The management believed that the discontinuance of its plan did not necessarily condemn the principle of cost-of-living adjustment of wages,

¹THE CONFERENCE BOARD, "Automatic Cost-of-Living Adjustment of Wages," *The Conference Board Management Record*, November, 1941, page 138.

because the situation was complicated by a new union, by features of the plan, and by local conditions.

Another company discontinued its plan because of the rapid rise in the cost-of-living index. The management felt that it "did not wish to be subject to such wide fluctuations as we anticipate." It, therefore, omitted the cost-of-living adjustment clause from this year's union agreement. In the case of a third company, a plan which had been in existence for over five years, was discontinued primarily because of union opposition.

F. BEATRICE BROWER
Management Research Division

The Use of Colored Persons in Skilled Occupations

A MUCH DISCUSSED subject in connection with the shrinking surplus of man power available for expansion of production in American defense industries is the extent to which colored persons can be utilized in semi-skilled and skilled occupations. Are they now filling such jobs on any wide scale, do they measure up well to requirements, is prejudice a hindrance to employing them in greater numbers? A quick survey covering

TABLE I: USE OF COLORED PERSONS IN SKILLED OCCUPATIONS IN 402 COMPANIES

	Number of Companies				
	Total	New England and Middle Atlantic	North Central	South-eastern	Unclassified
Prior to the defense emergency					
Colored labor employed in skilled or semi-skilled occupations.	107	43	40	13	11
Colored labor not employed on jobs other than common labor, janitor service, etc. . . .	295	134	131	14	16
Since beginning of defense emergency					
Colored labor employed in certain skilled or semi-skilled occupations prior to the emergency but now used in additional skilled jobs.	13	9	4	...	...
Colored labor employed in skilled and semi-skilled occupations for the first time. . . .	7	4	2	...	1
Companies that employ colored labor for skilled work					
Directly or indirectly engaged in defense production.	108	44	41	41	12
Not engaged in defense production.	6	3	1	1	1

representative manufacturing establishments was made by THE CONFERENCE BOARD to secure information regarding the present status of this question.

On the basis of returns from 402 companies, it is shown that prior to the defense emergency 107 companies, or 26.6%, employed colored persons for certain skilled or semi-skilled operations, whereas 295 companies, or 73.4%, did not employ them or used them wholly for janitor service and common labor. Since the beginning of the defense emergency, seven more of the 402 companies reporting have joined the ranks of those employing them for semi-skilled or skilled work. Thirteen companies that previously employed colored workers in certain skilled or semi-skilled classifications increased the number of such occupations open to them. These figures do not reflect the increase in the actual number of colored persons engaged in skilled or semi-skilled operations where similar work was already being performed by them. Of the 114 companies that reported the use of colored employees as semi-skilled or skilled laborers, 108 were engaged directly or indirectly in defense work. These data, classified geographically, are shown in Table I.

MOST FREQUENTLY LISTED SKILLED OR SEMI-SKILLED JOBS FILLED BY COLORED EMPLOYEES

Caster	Craneman
Bench	Fireman
Hand	Furnace Tender
Machine	Grinder
Casting Cleaner	Mold Cleaner
Chipper	Mold Maker
Core Finisher	Molder
Core Maker	Bench
Cupola	Floor
Charger	Hand
Patcher	Machine
Tapper	Pourer
Tender	Trucker
Repairman	

In answer to a question as to what types of skilled and semi-skilled work were performed by colored workers, the 114 employing companies reporting listed over a hundred different occupations. By far the greatest

number of occupations listed are representative of the foundry industry, as shown by the fact that of the fifteen jobs most often mentioned, fourteen are peculiar to this particular type of work.

In close order following the foundry division come forging, heat treating, smelting and pickling processes. The iron and steel industry, steel fabricating plants and the rubber industry all use colored persons for semi-skilled and skilled work. Their use is also established in coal mining. The comment of one mine operator is that: "The colored men have always been good coal miners . . . Those who have been aggressive enough to adjust themselves to the changed conditions (mechanized mining) have done and are now doing good work."

FACTORS INVOLVED

Why, then, are colored persons not used more extensively in the skilled and semi-skilled occupations? Many opinions are ventured as to the underlying reasons involved. Most prominent seems to be the lack of suitable colored workers at the point of industrial employment. Numerous reporting companies are not located in centers of colored population and have hesitated to import colored workers because of the problems raised. The availability of colored workers for skilled work is limited not only by geographical considerations but also by lack of training. With the number of skilled workers available over the past decade, it has not been necessary to seek out men for training in the more skilled occupations. One of the cooperating companies in this study checked with the technical schools in its vicinity and the schools report ". . . a very small enrolment of colored youth in machine industries." They go on to say that of the very small number of colored persons that apply to them for employment there has not been a single competent skilled mechanic.

TABLE II: ATTITUDE OF WHITE EMPLOYEES TOWARD WORKING SIDE BY SIDE WITH COLORED WORKERS

Region	Little or No Objection	No Definite Objection	Some Complaint	Serious Objection
New England and Middle Atlantic	29	10	4	4
North Central.....	21	10	6	3
Southern.....	7	1	1	2
Unclassified.....	4	4	2	..
Total.....	61	25	13	9

In relation to the query, "What problems are raised in attempting to introduce or increase the use of colored employees for skilled occupations?" two definite attitudes must be determined, namely: (1) The attitude of white employees toward working side by side with colored labor; and (2) The attitude of labor unions toward the employment of colored workers.

As Table II shows, the reaction of the white employees in working side by side with colored workers shows

wide variation. From comment, it appears that women employees are more prejudiced and react more violently than do men employees. In one case, the introduction of a colored girl into a department resulted in a six-hour strike.

TABLE III: ATTITUDE OF LABOR UNIONS TOWARD THE EMPLOYMENT OF COLORED WORKERS

Region	Favorable	No Discrimination	Prejudiced Against	No Union, or Attitude Unknown
New England and Middle Atlantic	5	15	..	17
North Central.....	9	12	6	13
Southern.....	2	6	1	2
Unclassified.....	..	3	1	6
Total.....	16	36	8	38

The reaction of management toward the situation also varies widely, as shown by typical contrasting comments: "We strain the practicability of democratic life when white and colored men are forced to live together industrially. There are as many objections from colored people as from white."

"It's a pity that there still exists a great deal of resentment and actual refusal on the part of the white help to work side by side with their colored brothers. It is our hope that this condition can be improved in the years to come."

"I'm sorry that these conditions exist, they violate all my ideas of democracy."

Great emphasis is placed upon the importance of care in the selection of colored employees as an aid in minimizing unfavorable reaction of white employees in the department. Careful scrutiny of prospective employees' past records plus a "paving of the way" within the department makes the adjustment of new employees with their fellow employees much easier.

Many companies report that the problem is distinctly individual rather than group. This conclusion is drawn from the fact that the white employees do not in general object to old-established colored employees with whom they are familiar, but most often resent the introduction of colored workers into a department heretofore all white or an increase in the ratio of colored employees.

The amount and intensity of prejudice against colored workers seem to increase as they are introduced into occupations requiring greater skills. Thus, at the common labor level there is comparatively little objection registered, but those in the semi-skilled trades and on up the line show an increasing amount of resentment. This is particularly true where the objection is based solely upon the traditional opposition to equality for the colored race. This attitude may be fostered by the active opposition of some of the unions covering skilled labor. Two companies indicate that the locals of the International Association of Machinists in their vicinity definitely exclude colored machinists from membership.

This is not to be interpreted as the attitude of all unions because many of them not only maintain a position of no discrimination but actually are favorable in their attitude toward colored workers, as shown in Table III.

TABLE IV: DOES THE UNION FREELY ACCEPT COLORED WORKERS AS MEMBERS?

Region	Yes	No	No Union, or Condition Unknown
New England and Middle Atlantic.	17	..	10
North Central.	26	1	9
Southern.	8	2	1
Unclassified.	5	..	5
Total.	56	3	25

The greatest general prejudice against colored workers does not exist in the deep South where traditional background would make this condition most likely. The borderline states indicate the greatest antipathy in this respect. However, the reaction is still very strong in the South concerning the use of colored persons for jobs other than common labor or janitor service, except in cases where it is practical to have completely colored departments or shifts. This latter arrangement avoids the problem of white and colored persons working side by side, and seems to be the most satisfactory answer to adverse employee reaction.

Certain specific objections were noted by some companies. The most common complaint registered was the refusal of the white employees to use the same sanitary and locker equipment and to participate jointly in the use of recreational facilities. Typical of this attitude is the following statement from one large concern. ". . . colored (employees) must start and quit at different times because the white employees will not line up at the time clocks with them. Also will not line up at noontime so we have different lunch hours."

This condition is one of the definite reasons for the comparatively restricted use of colored workers in the field of skilled labor. The reservoir of skilled colored employees available is limited and some of the large companies do not feel that in the face of present space requirements they are justified in creating the special facilities necessary to cope with the situation.

COMPARATIVE MEASUREMENTS

The relative ability, productivity, reliability, carefulness and general intelligence of colored as compared to white persons on the same or similar jobs have been a matter of some question in discussing the problem.

In this connection, numerous comments were made by various company officials. Some indicated that they believed the colored worker had a special adaptability to certain fields of endeavor owing to the nature of the work, as shown in this statement: "In general, colored men stand up better under conditions of heat as experienced in foundries in the summertime . . ."

The position of some of the skilled trades and unions in closing their ranks to colored men is considered by some an important factor for the lower skill and ability of colored workers.

TABLE V: RANKING OF COLORED AND WHITE EMPLOYEES ON COMPARABLE SKILLED AND SEMI-SKILLED WORK

	Better than Whites	Equal to Whites	Poorer than Whites
Ability, Skill			
New England and Middle Atlantic.	..	29	13
North Central.	..	32	9
Southern.	1	5	6
Unclassified.	..	4	3
Total.	1	70	31
Production			
New England and Middle Atlantic.	..	36	7
North Central.	2	38	1
Southern.	2	7	3
Unclassified.	1	4	1
Total.	5	85	12
Regularity in Attendance			
New England and Middle Atlantic.	2	32	8
North Central.	1	21	19
Southern.	2	8	2
Unclassified.	..	3	3
Total.	5	64	32
Accident Record			
New England and Middle Atlantic.	2	40	1
North Central.	1	32	7
Southern.	..	9	3
Unclassified.	..	6	..
Total.	3	87	11
General Intelligence			
New England and Middle Atlantic.	..	25	16
North Central.	..	20	20
Southern.	..	3	9
Unclassified.	1	1	4
Total.	1	49	49

One large refining company, on the basis of considerable experience, expressed a general preference for the employment of white persons " . . . strictly on the basis of quality and greater output."

By way of contrast, another large refinery found that one of their major difficulties in the matter of colored employees was to find lines of advancement for those who were qualified. This condition is no doubt predicated upon the feeling that it is impossible to have colored persons in supervisory capacities over all-white or mixed groups.

As a thought in the direction of a solution to the entire colored employment situation, a manufacturer of fair size situated in an area with a considerable colored population proposes that all firms having suitable work of any nature should make an honest effort to hire colored persons in proportion to the total population of the area.

WM. BARNES O'CONNOR
Management Research Division

Services Offered by the Training-Within-Industry Program¹

A decade of business depression left the nation, in the summer of 1940, with a depleted reservoir of trained workmen. In spite of a considerable expansion in the activities of trade schools and the Federal Committee on Apprenticeship, it began to be apparent that there would not be enough skilled men to meet the demands of rapidly expanding defense production. Hundreds of thousands of men and women would have to be taught new skills, and the job would have to be done largely by industry itself.

The Training-Within-Industry Branch of the Office of Production Management accordingly was established in September, 1940, for the purpose of "helping defense contractors and subcontractors solve their problems of manning the plant with trained workers and supervisors." The organization did not and does not duplicate any other going program. It furnishes practical help in a field untouched by other governmental agencies—on-the-job training, or training-within-industry—and in addition supplies defense contractors and subcontractors with advice and assistance as to how they can make maximum use of already existing agencies.

In contrast with many governmental organizations, TWI maintains in Washington a very small staff. Its activities are largely decentralized and carried on in those industrial areas throughout the country where the production problems that it helps to solve actually exist. Twenty-two separate districts have been established, each of which has a small full-time staff. The locations of the district offices are as follows:

Atlanta, Georgia, Georgia School of Technology, 225 North Avenue, N. W. (Hemlock 6898)

Baltimore, Maryland, Room 3106, Baltimore Trust Building (Plaza 1654)

Boston, Massachusetts, Room 1033, Park Square Building (Hubbard 0380)

Upstate New York (location pending)

Chicago, Illinois, Room 1441, 20 North Wacker Drive (Andover 1744)

Cincinnati, Ohio, Room 802, Fifth-Third Union Trust Building (Cherry 3740)

Cleveland, Ohio, Room 797, Union Commerce Building, 925 Euclid Avenue (Cherry 2984)

Denver, Colorado, Room 518, U. S. National Bank Building, 817 Seventeenth Street (Keystone 4151-596)

Detroit, Michigan, 702 American Radiator Building, 1346 Broadway (Cadillac 7014)

Houston, Texas, Room 3201, Gulf Building (Fairfax 9842)

¹This brief outline is presented in the belief that many defense contractors and sub-contractors can obtain valuable assistance from the Training-Within-Industry Branch of the OPM in meeting their manpower needs. Further information can be obtained from the nearest Training-Within-Industry district office.

Indianapolis, Indiana, Room 915, Circle Tower Building (Market 9411)

Los Angeles, California, Room 452, Roosevelt Building, 727 West Seventh Street (Trinity 2104-2105)

Minneapolis, Minnesota, Room 1800, Rand Tower Building (Bridgeport 7591)

Newark, New Jersey, Room 601, 605 Broad Street (Mitchell 2-1114)

New Haven, Connecticut, Room 513, 152 Temple Street (6-5186)

New York, New York, Room 2026, 11 West 42nd Street (Pennsylvania 6-0486)

Philadelphia, Pennsylvania, Room 2301, 12 South 12th Street (Walnut 6820)

Pittsburgh, Pennsylvania, Room 360, Administration Building, Carnegie Institute of Technology (Mayflower 2600)

Raleigh, North Carolina, Raleigh Building, Fayetteville and Hargett Streets

St. Louis, Missouri, 603 Shell Building (Central 4206)

San Francisco, California, Room 702, 260 California Street (Brook 0369)

Seattle, Washington, Room 957, Stuart Building, 4th and University Streets (Eliot 6404); affiliated office located at Portland, Oregon, Room 1100, Public Service Building (Broadway 0380)

CONSULTING SERVICE

A major part of the work performed in each district is done by experienced men borrowed on a part-time basis by OPM from local industrial concerns. As members of the industrial community they serve, they have an understanding of local problems and conditions. They are all volunteers, who work without compensation. Defense contractors or subcontractors may obtain the services of these consultants without cost upon request to their local district representative. They are prepared to help the contractor in the following ways:

1. By analyzing the training needs of his own plant.
2. By aiding him to set up a program to meet those needs.
3. By passing along to him the experiences, the trials and the errors of other employers who have met similar problems.
4. By making known to him the full range of help obtainable from tax-supported governmental agencies, such as the public employment services, local vocational and trade schools, engineering defense programs, N.Y.A., C.C.C. and W.P.A.

BULLETINS

A series of bulletins has been prepared for the purpose of disseminating information helpful in manning a plant with trained workers and supervisors. Nearly

500,000 of these have been distributed up to now. They cover the establishment of complete training programs, training of production workers, improving the caliber of supervision, off-the-job training, and upgrading. These basic bulletins are continually being supplemented by examples of specific applications in particular industrial plants and industrial processes. For

instance, special reports deal with the training of lens grinders, and with the manning of new mass-production plants in localities where no experienced labor is available, and with creating and maintaining an upgrading plan. They may be obtained from the district offices.

JEROME H. T. KIDDER
Management Research Division

Wage-Increase Announcements, November 1 to November 30

Source: Daily Press and Various Periodicals

Company	Location	Amount of Increase	Number Affected	Remarks
American Can Company.....	Brooklyn, N. Y.	8¢/hr. 10¢/hr.	.... ....	To production workers To machine shop workers 5¢/ hr. additional to 2nd and 3rd shifts
American Chain & Cable Company.....	Newark, N. J.	10¢/hr.	....
American District Telegraph Company.....	New York, N. Y.	\$2 to \$5/wk.	200	
American Hard Rubber Company.....	Butler, N. J.	3-6/10¢/hr.	1,400	Subject to change monthly according to U. S. Dept. of Labor Cost-of-Living Index Retroactive to September 19
American Radiator Company.....	Buffalo, N. Y.	\$4/wk. avg.	2,000	
Armstrong Rubber Company.....	West Haven, Conn.	6½¢/hr.	....
Avon Curtain Corporation.....	Fall River, Mass.	\$1/wk.	150	
Bullard Company.....	Bridgeport, Conn.	10%	3,500	
Century Electric Company.....	St. Louis, Mo.	8¢ to 11¢/hr.	300	To foundry workers
Chandler & Price Company.....	Cleveland, Ohio	7¢/hr.	...	To die casting workers
Curtiss-Wright Corporation.....	Columbus, Ohio	11¢/hr. \$4/wk.	3,300	To skilled workers To salaried employees Minimum wage for new workers increased from 50¢ to 55¢/hr., with 60¢/hr. after 30 days employment, 65¢/hr. after 60 days and 70¢/hr. after 90 days
Davega City Radio Company.....	New York, N. Y.	\$3/wk. avg.	500	To employees of 30 radio and sporting goods stores in the metropolitan area
Delaware Coach Company.....	Wilmington, Del.	5¢/hr.	....	To trolley coach operators Pay increased to 80¢/hr. for a work week of 48 to 50 hours
Delaware Floor Products Company.....	Wilmington, Del.	8¢ to 18¢/hr.	....	Minimum wage raised to 62¢/hr.
Doehler Die Casting Company.....	Batavia, N. Y.; Pottstown, Pa. and Toledo, Ohio	10¢/hr.	4,000	To hourly workers. Basic minimum increased to 70¢/hr. New minimum for employees having 1,000 hours of service is 75¢/hr. Salaried employees to receive increase in December
E. I. du Pont de Nemours & Company.....	Joliet, Ill.	6-2/3%	....	To ordnance plant employees Minimum wage increased to 80¢/hr.
Duquesne Light Company.....	Pittsburgh, Pa.	7½%	400	To salaried employees
Durham Manufacturing Company.....	Muncie, Ind.	7½¢/hr.	....
Eastman Machine Company.....	Buffalo, N. Y.	7¢/hr.	100	
Electric Auto-Lite Company.....	Toledo, Ohio	6¢/hr.	5,000	To all employees New guaranteed minimum wage: Women, 70¢/hr.; men, 90¢/hr. Supplements increase of 9¢/hr. granted in July
Elgin National Watch Company.....	Elgin, Ill.	5¢/hr. 3¢/hr.	3,000	To employees earning less than 50¢/hr.
Ford Motor Company.....	Pittsburgh, Pa.	10¢ to 25¢/hr.	53	To employees earning over 50¢/hr. To employees of car and parts distributing headquarters for Pittsburgh area New rates include the following: Janitors, 95¢/hr. minimum; repairmen, \$1.25/hr.; maintenance men, \$1.15 to \$1.25/hr.
Fur Merchants Employers Council, Inc.....	New York, N. Y.	10%	300	Retroactive to October 1
General Cable Corporation.....	Buffalo, N. Y.	6¢/hr.	600	Raises basic wage from 72¢ to 78¢/hr. Retroactive to August 17
A. Goldmann & Sons.....	Milwaukee, Wis.	10%	....	To department store employees. New minimum basic wage \$15/wk.
P. H. Hanes Knitting Company.....	Winston-Salem and Hanestown, N. C.	7½% to 10%	3,000	
Hearn Department Stores.....	New York, N. Y.	\$2/wk.	2,500	To employees with at least one year of service. Employees with less than one year of service get \$1/wk. increase now and another \$1/wk. at end of first year of service New minimum rates: \$18/wk. at end of 6 months' service, \$19 after a year

WAGE-INCREASE ANNOUNCEMENTS, NOVEMBER 1 TO NOVEMBER 30—Continued

Company	Location	Amount of Increase	Number Affected	Remarks
Hudson Valley Fuel Corporation.....	Troy, N. Y.	10¢/hr.	350	To workers in coke plant New pay scale: 72½¢/hr. minimum, \$1.19½/hr. maximum
Hughes Tool Company.....	Houston, Texas	10¢/hr.	4,000	To hourly rate employees. Equivalent increase given to some clerical employees. Starting rates for new employees (white) increased from 45¢ to 60¢/hr. Starting rates for new Negro employees increased from 40¢ to 50¢/hr. Retroactive to Sept. 1
Irving Subway Grating Company.....	Long Island City, N. Y.	7½¢/hr.	300	Retroactive to June 26
Jacobs Aircraft Engine Company.....	Pottstown, Pa.	5¢/hr.	800	To production employees
Johnson & Johnson.....	New Brunswick, N. J.	5¢/hr.	1,700	To non-supervisory employees
Maiden Form Brassiere Company.....	Bayonne, N. J.	\$1.50-\$2/wk.	1,100	New minimum rates include the following: Clippers, \$17/wk.; operators, \$19/wk.
Mail Advertising Service Association.....	New York, N. Y.	18%	4,000	To direct-mail advertising employees
McDonnell Aircraft Corporation.....	St. Louis, Mo.	3¢ to 12¢/hr.	400	To production and maintenance employees. Beginner's rate increased from 53¢ to 56¢/hr. Guaranteed minimum wage after 3 months' experience raised from 59¢/hr. to 71¢/hr.
Merrimac Hat Corporation.....	Amesbury, Mass.	10%	1,500	Additional 5% on 3rd shift
I. Miller and Sons.....	Long Island City, N. Y.	13%	1,000	To shoe workers
Mueller Brass Company.....	Port Huron, Mich.	5¢/hr.	2,000	{To day-shift workers To late-shift workers
		10¢/hr.		
Mundet Cork Corporation.....	Hillside, N. J.	10¢ to 12¢/hr. approx.	300	
National Biscuit Company.....	Niagara Falls, N. Y. and Niagara Falls, Ont.	10% approx.	....
	Philadelphia, Pa.	\$3/wk. approx.	1,100	New wage scale as follows: Men, 75¢ to \$1.02½¢/hr.; women, 58½¢ to 67½¢/hr.
National Desk Company.....	Herkimer, N. Y.	10% to 15%	130	To production and maintenance workers New minimum wage 40¢/hr.
National Lead Company.....	3 Plants: St. Louis, Mo.	5¢ to 10¢/hr.	1,000	New wage scale ranges from about 70¢/hr. to \$1.12/hr.
New England Telephone & Telegraph Company.	New England	\$1 to \$2/wk.	12,000	To supervisors and operators. Increase of \$2 to those having over 6 years' service, \$1 to others
New England Transportation Company.....	Conn., Mass. and R. I.	5¢/hr.	400	To truck drivers New pay rate for men employed more than 6 months is 78¢/hr. and 73¢ for others
New York Telephone Company.....	New York	\$1/wk. \$2/wk.	32,600	{To employees earning under \$40/wk. To employees earning over \$40/wk. Includes office and plant employees
Newport News Shipbuilding & Dry Dock Co..	Newport News, Va.	10¢/hr. 12¢/hr.		
Novi Equipment Company.....	Novi, Mich.	5¢/hr.	....	To employees earning up to 86¢/hr.
Phelps Dodge Copper Corporation.....	Elizabeth, N. J.; Fort Wayne, Ind.; Los Angeles, Calif. and Yonkers, N. Y.	5¢/hr.	4,200	To employees earning over 86¢/hr. Additional 7% for 2nd and 3rd shift
Philco Corporation.....	Philadelphia, Pa.	3¢/hr.	6,000	To radio workers New basic pay rates: Men, 68¢/hr.; women, 60½¢/hr.
S. S. Pierce Company.....	Boston, Mass.	10%	....	Supplements 7% increase granted in May To all employees other than department heads
Plymouth Oil Company.....	Pittsburgh, Pa.	7½%	....	To field and field office employees. Affects those receiving less than \$300/mo. Supplements 5% increase granted in May
Portland Traction Company.....	Portland, Ore.	2¢/hr.	1,053	Includes shop men, track men and office staff
Producto Machine Company.....	Bridgeport, Conn.	10¢/hr.	....
RCA Communications, Inc.....		12%	1,200	
Rice-Stix Dry Goods Company.....	St. Louis, Mo.	8¢/hr.	400	To warehouse workers. New minimum is 40¢/hr. for the first 6 months of employment, 45¢/hr. thereafter
Robins Drydock & Repair Company..... (Division of Todd Shipyards)	Brooklyn, N. Y.	4¢ to 61½¢/hr.	6,000	Minimum wage raised to 72¢/hr.
D. A. Schulte, Inc.....		\$1-\$3.50/wk.	500	To employees of retail stores
Shoe Manufacturers Board of Trade.....	New York, N. Y.	13-15% avg.	5,000	To shoe workers
Signal Oil Company.....	Seattle, Wash.	\$10/mo.	50	To salaried employees receiving less than \$300/month

WAGE-INCREASE ANNOUNCEMENTS, NOVEMBER 1 TO NOVEMBER 30—Continued

Company	Location	Amount of Increase	Number Affected	Remarks
Singer Manufacturing Company.....	Elizabeth, N. J.	6%	6,000	To hourly employees and piece workers. Supplements 10% increase granted May 3
Alexander Smith & Sons Carpet Company....	Yonkers, N. Y.	8¢/hr.	6,000	
Smith & Wesson Company.....	Springfield, Mass.	5¢ to 20¢/hr.	1,100	
Spartan Aircraft Company.....	Tulsa, Okla.	5¢ to 20¢/hr.	750	Starting rate for new workers raised to 50¢/hr.
M. T. Stevens Company.....	Conn. and Mass.	7¢/hr.	2,200	To textile workers
Swift and Company.....	Seattle, Wash.	10¢/hr.	....	To men
		7½¢/hr.	....	To women
				New minimum wage: Men, 75¢/hr.; women, 62½¢/hr.
Tacoma Milk Distributors' Association.....	Tacoma, Wash.	75¢/day	....	To milk-wagon drivers.
				New rates effective December 1, \$8/day
Texas Electric Steel Casting Company.....	Bringham & Gillespie, Texas	10¢-17½¢/hr.	....	Retroactive to September 27
Titanium Alloy Manufacturing Company.....	Niagara Falls, N. Y.	10¢/hr.	250	Retroactive to September 27
United Cigar-Whelan Stores Corporation.....	New York, N. Y.	\$1-\$3.50/wk.	500	New wage rates range from 82¢ to \$1.10/hr.
Wickwire Brothers.....	Cortland, N. Y.	4¢/hr.	1,000	To employees of retail stores
4 Bakeries.....	Rochester, N. Y.	\$2 to \$4/wk.	....	To men
		\$2/wk.	....	To women
				New wage rate range: Men, \$28 to \$38/wk.; women, \$18 to \$24/wk.
6 Dairies.....	Reading, Pa.	10%	....	To milk-wagon drivers
				New base wage for drivers is \$29.75/wk.
General Contractors.....	Tampa, Fla.	12½¢/hr.	450	To carpenters.
				New rates, \$1.12½/hr.
20 Job Printing Shops.....	Memphis, Tenn.	\$8/wk.	....	Pay increased from \$34 to \$42/wk. At end of one year the rate will be raised to \$44/wk. for printers and \$50 for foremen
Laundry Associations.....	New York Metropolitan area	10%	25,000	To inside workers.
				Hours reduced from 48 to 44
Meat Markets.....	Memphis, Tenn.	\$5/wk.	....	To experienced butchers. Apprentice meat cutters to get \$2.50/wk. increase.
				Extra men to get boost of \$1/day
Meat Markets.....	Tulsa, Okla.	\$5/wk.	186	To meat cutters
				New wage scale is \$40 to \$45/wk. Extra workers will be paid 70¢/hr.
Trucking Companies.....	Chicago, Ill.	12½¢/hr.	2,500	To truck loaders.
				New rate is 67½¢/hr.
2 Trucking Companies.....	Syracuse, N. Y.	\$5.70/wk.	110	To truck drivers
				Wage for 51-hr. week increased from \$38 to \$43.70

Christmas Bonus Announcements, November 1 to December 12¹

Source: Daily Press and Various Periodicals

Company	Location	Amount of Bonus	Number Affected	Remarks
American Airlines, Inc.....	Entire System	\$50 \$25 \$10	4,000	One year's service Six months' service Under 6 months' service Includes those in military service
Armstrong Cork Company.....	All plants in the United States	2% of wages in current year	....	To all salaried and hourly employees
Bank of Yorktown.....	New York, N. Y.	½ month's pay	....	In addition to cost-of-living bonus
Bond Clothing Company.....	Rochester, New Brunswick plants; stores in 59 cities	.....	9,131	\$600,000 to be paid in Defense Bonds
Bullard Company.....	Bridgeport, Conn.	1 week's pay (40 hours)	....	(To employees continuously employed in plant from January 2 to December 20
		½ week's pay	3,500	To employees hired since May 31
		\$5	....	To other employees

¹Includes year-end profit-sharing bonus payments

CHRISTMAS BONUS ANNOUNCEMENTS, NOVEMBER 1 TO DECEMBER 12—Continued

Company	Location	Amount of Bonus	Number Affected	Remarks
Central Hanover Bank & Trust Company....	New York, N. Y.	1 week's pay	....	To employees and junior officers regularly employed
Chemical Bank & Trust Company.....	New York, N. Y.	5% on first \$5,000 salary; 3½% on 2nd \$5,000; 2% on balance	1,300	Includes those in military service
Clinton Trust Company.....	New York, N. Y.	2½% year's pay	....
Cohu & Torrey (Stock Exchange).....	New York, N. Y.	10% of one month's pay	....
Congoleum-Nairn, Inc.	Kearny, N. J.	½ of 1% of wages in last 5 years	....	Earnings above \$2,000 per year not included in computing bonus. Maximum payment is \$50
Joseph Dixon Crucible Company.....	Jersey City, N. J.	12% of wages in 4th quarter	....	Paid in connection with "wage-dividend" plan. Payable on December 18
Douglas Aircraft Company.....	Santa Monica, Long Beach, El Segundo, Cal. and Tulsa, Okla.	1 week's pay	35,000	To employees actively on the payroll Dec. 31
Draper Corporation.....	Hopedale, Mass.	\$30 to \$70	3,500	To all employees except top executives
Thomas A. Edison Industries, Inc.....	All plants	....	4,000	To be paid on December 12
Forbes & Wallace, Inc. (Retail).....	Springfield, Mass.	1 week's pay	1,000	Also to former workers in military service
Fuller Brush Company.....	Hartford, Conn.	7½% of wages in 1941	....	\$100,000; based on service
Goldsmiths Department Store (Retail)....	Memphis, Tenn.	1 week's pay	....	To employees with 1 year's service; proportionately to newer employees
Great Atlantic & Pacific Tea Company.....	All locations	½ week's pay	....
Indian Motorcycle Company	Springfield, Mass.	10% of pay 9/1 - 11/30	....	One year's service
International Harvester Company.....	17 plants: United States and Canada	\$35 approx.	45,000	Six months' service
Kline's Cash Department Store.....	Atlanta, Ga.	1 week's pay	....	\$1,500,000 to full and part-time employees with 6 months' service
Leonard Bros. Department Store.....	Fort Worth, Texas	2 weeks' pay	....
		1 week's pay	900	To all employees with at least 3 years' service. Represents about one-half of an employee's share for 1941 in company profit-sharing plan. Other half will be deposited to employee's savings account
Levy Brothers (Retail).....	Louisville, Ky.	\$25	....	Includes part-time and extra employees
		\$10	....	To those on payroll January 1
		\$5	....	To those on payroll since July 1
		\$100 or more	....	Lesser amounts to part-time workers
Life Savers Corporation.....	Port Chester, N. Y.	....	482	One year's service
Lit Brothers (Department Store).....	Philadelphia, Pa.	1 week's pay	3,500	Six months' service
Loew's, Inc.....	Loew theaters, home office and M-G-M picture exchanges	2 weeks' pay	5,800	Three months' service
		1 week's pay	....	To dept. and asst. dept. managers
Lord & Taylor (Department Store).....	New York, N. Y.	\$23	1,700	Bonus will total over \$7,000
Lowenstein's Department Store.....	Memphis, Tenn.	1 week's pay	....	\$82,241; includes salesmen and employees in subsidiaries
Glenn L. Martin Company.....	Baltimore, Md.	½ week's pay	....	One year's service
Morehouse-Martens Company.....	Columbus, Ohio	1 week's pay	30,000	A proportionately smaller amount will be paid to newer employees down to one day's pay to most recently hired
Niles-Bement-Pond Company.....	Hartford, Conn.	5% of wages in 2nd half of 1941	4,500	To employees with 1 year's service earning under \$40/wk.
Outlet Company (Retail).....	Providence, R. I.	10% of basic pay 6/10 - 11/30	....	To employees with 6 months' service earning under \$40/wk.

CHRISTMAS BONUS ANNOUNCEMENTS, NOVEMBER 1 TO DECEMBER 12—Continued

Company	Location	Amount of Bonus	Number Affected	Remarks
Pangborn Corporation.....	Hagerstown, Md.	7% year's pay 10% year's pay	800	To non-supervisory employees To supervisors
Parisian, Inc. (Retail).....	Birmingham, Ala.	pay \$25	....	To employees on payroll October 31 To be paid in Defense Bonds
Parker-Kalon Corporation.....	New York, N. Y.	5% year's pay	....
Pennsylvania Exchange Bank.....	New York, N. Y.	7½% year's pay	....	To those employed one year
		½ month's pay	....	To those employed less than 1 year Includes all employees and officers
Peoples National Bank of Brooklyn.....	Brooklyn, N. Y.	1 week's pay	....
Pizitz Company (Retail).....	Birmingham, Ala.	2 weeks' pay	....	Two years' service
Procter & Gamble Company.....	United States and Canada	4% of net annual earnings	8,000	Applies to employees who were employed prior to July 1, 1941 Separate from profit-sharing plan
Quaker State Oil Refining Corporation.....	Oil City, Pa.	2 weeks' pay	....	To employees with a year or more of service
The Rollman & Sons Company (Retail).....	Cincinnati, Ohio	\$25 \$10	600	To those employed prior to June 1 To those employed June 1–November 1 To be paid in Defense Bonds
Sattlers, Inc. (Retail).....	Buffalo, N. Y.	\$3 to \$100	....	In Defense Bonds and Stamps; based on length of service
Security Adjustment Corporation.....	Brooklyn, N. Y.	1 week's pay	....	In addition to recent cost-of-living adjustments
W. E. Sheaffer Pen Company.....	Fort Madison, Iowa	17½% pay 6/1–11/30/41	....
The John Shillito Company.....	Cincinnati, Ohio	2 weeks' pay 1 week's pay	....	To those employed prior to June 1 To those employed June 1 to November 1
Simonds Saw and Steel Company.....	Fitchburg, Mass. and subsidiaries	Up to \$100	3,200	\$130,000; based on length of service
Sterling Products, Inc.	New York, N. Y.	1 week's pay	3,500	To those employed one year
Trade Bank & Trust Company.....	New York, N. Y.	4% of annual pay	....
United Advertising Corporation.....	New York, N. Y.	1 week's pay	300	
United Aircraft Corporation.....	Hartford, Conn.	\$10 to \$50	31,000	Based on length of service

Emergency Bonus Announcements, November 1 to November 30¹

Source: Daily Press and Various Periodicals

Company	Location	Amount of Bonus	Number Affected	Remarks
Allis-Chalmers Manufacturing Company.....	Plants in 7 states	2¢/hr.	21,000	To all hourly employees. Is increased to 3¢/hr. when time and one-half applies for overtime hours and 4¢/hr. when double time applies. Time limit of one year
Bank of the Manhattan Company.....	New York, N. Y.	6% of that portion of salaries not exceeding \$3,000/yr.	....	To all employees and officers whose annual salaries are not over \$5,000 Retroactive to July 1 Payment for third and fourth quarters will be made on December 17
Becton Dickinson & Company.....	East Rutherford, N. J.	10%	850	To surgical instrument workers. Wage bonus supplements basic rates which range from 50¢ to \$1.15/hr.
Chase National Bank.....	New York, N. Y.	6% on the first \$1,800 of annual salary and 4% on the next \$1,200	....	To all employees and officers with basic annual salaries of \$6,000 or less Retroactive to October 1 First payment, covering October and November, payable November 30
Federal Reserve Bank of New York.....	New York, N. Y.	6% of regular rate 6% of first \$1,800	2,700	To employees earning under \$1,800/yr. To employees earning over \$1,800/yr.
Guaranty Trust Company.....	New York, N. Y.	6% of the first \$150/mo. basic pay and 4% of the next \$100/mo.	....	Applies to 3-month period Sept. 1 to Nov. 30 Payable in mid-December To all employees, including officers, receiving a salary of \$6,000 or less per year Retroactive to October 1 First payment due December 31

¹Includes bonus payments that are described as due to the rise in the cost of living

EMERGENCY BONUS ANNOUNCEMENTS, NOVEMBER 1 TO NOVEMBER 30—Continued

Company	Location	Amount of Increase	Number Affected	Remarks
Irving Trust Company.....	New York, N. Y.	6% of the first \$150/mo. basic salary and 4% of the next \$350/mo.	....	To all regular employees who have been on the payroll during the last quarter and whose basic salary is \$500/mo. or less
Manhattan Life Insurance Company.....	New York, N. Y.	5% on the first \$2,500/yr. salary and 2½% on the balance	....	To employees earning \$5,000/yr. or less. Payable at the end of each quarter
Manufacturers Trust Company.....	New York, N. Y.	6% of regular rate 5% of regular rate 4% of regular rate	3,184	To employees earning \$2,000 or less/yr. To employees earning \$2,001 to \$3,000/yr. To employees earning \$3,001 to \$9,000/yr. Applies to the 4th quarter of 1941, payable December 29 Bonus for the current quarter may be paid in cash or in defense bonds according to the choice of the employee
Marine Midland Trust Company.....	New York, N. Y.	6% on salaries up to \$3,000 and 6% of first \$3,000 on higher salaries	....	To employees on the payroll for 6 months or longer. Plan effective November 1 and will terminate at end of 6 months unless extended by directors at end of first period of 3 months Effective December 1
Merchants Bank of New York.....	New York, N. Y.	6% of regular rate	....	To be paid quarterly thereafter
National City Bank of New York.....	New York, N. Y.	6% of regular rate 6% of the first \$150/mo. and 4% of the next \$100 6% of the first \$150/mo. and 4% of the next \$100	.... .... ....	To employees earning \$150/mo. and under To employees earning over \$150/mo. but not over \$250/mo. To employees earning over \$250/mo. but not over \$500/mo.
New York Trust Company.....	New York, N. Y.	6% of the first \$150/mo. basic pay and 4% of the next \$100	....	Applies only to employees on basic salaries of \$6,000/yr. or less who have been in the employ of the bank at least 3 months on Oct. 1 To all employees, other than officers, receiving salaries of \$500 per month or less
Travelers Insurance Company.....	Entire country	8-1⅓%	11,000	Applies on compensation up to \$500/mo. limit Effective December 1 and payable quarterly
John Wanamaker (Department Store)	New York, N. Y. and Philadelphia, Pa.	5% on basic weekly salaries up to \$40/wk.	....	To all employees who have been with the store at least six months, except certain specified employees and department heads Retroactive to October 1. Payable monthly

Chronology of Events Affecting Labor Relations

November 11 to December 10

November

- 11 *Naval Construction Strike Ends*—Settlement of strike preventing construction of naval barracks at San Diego follows announcement of naval command that the strike is "defying only one contractor—the United States Government." Navy had intended to continue work on projects at all costs.

CIO Withdraws from NDMB—Philip Murray, President of CIO, and Thomas Kennedy, of UMWA, resign from

November

- National Defense Mediation Board in protest against Board's 9-to-2 decision against demand for union shop in captive coal mines.
- 12 *Railroad Strike Called*—Operating railroad brotherhoods announce calling of strike as a result of dissatisfaction with award of President's fact-finding board. Strike is to take effect progressively between December 7-9.

(Continued on page 168)

A Glance at Labor Statistics

Average hourly earnings of all wage earners in twenty-five manufacturing industries increased from 84.5¢ in September to 85.3¢ in October, 1941. In September, 1940, the corresponding figure was 74.4¢, indicating a 14.7% advance in 12 months.

Average weekly earnings of all wage earners increased from \$35.10 in September to \$35.63 in October, an increase of 19.4% over the figure of \$29.84 for September, 1940.

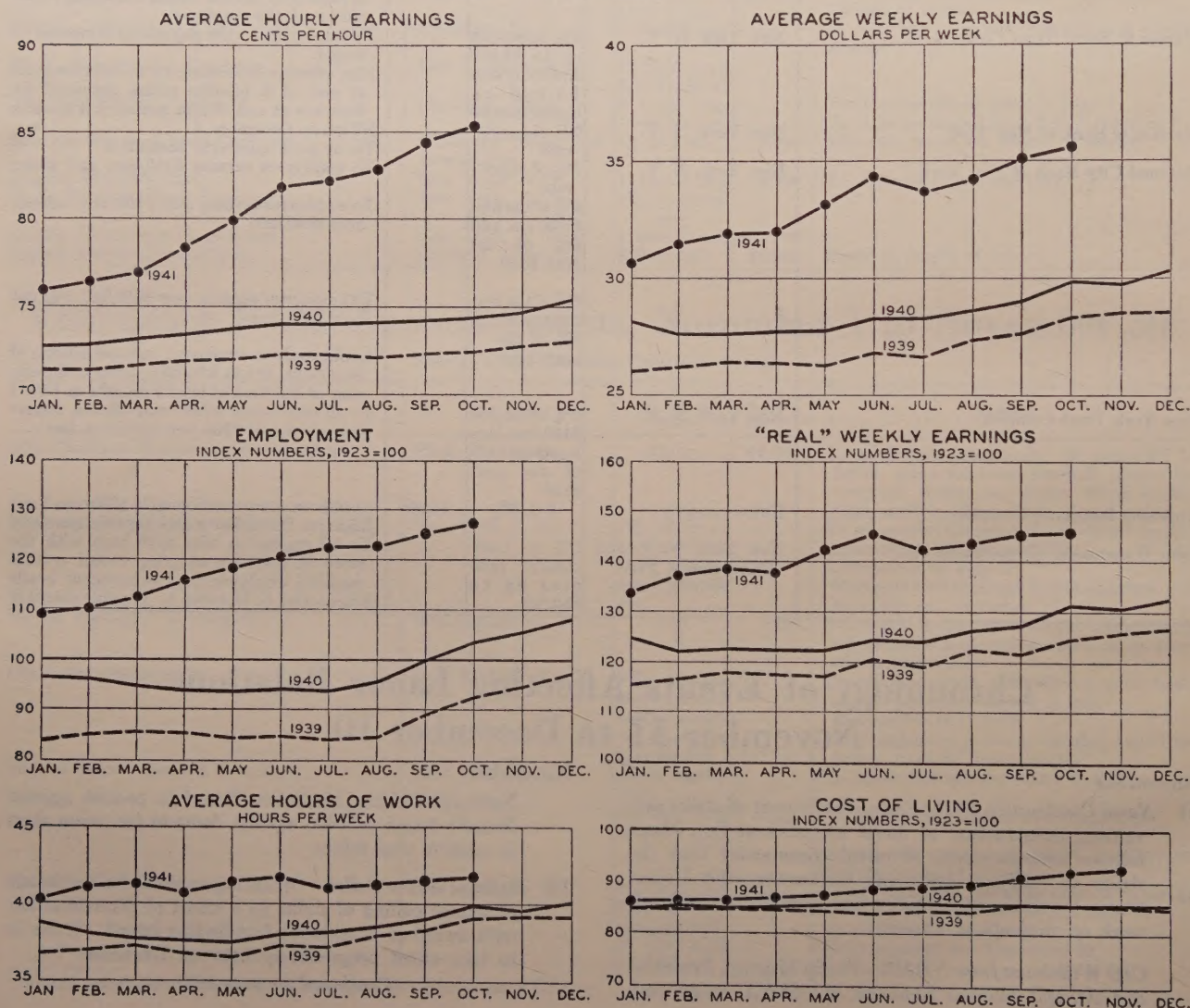
Employment rose from an index of 125.3 in September to 126.7 in October. This constitutes an increase of 22.5% in employment since September, 1940.

Average hours of work per week advanced from 41.6 in September to 41.7 in October, as compared with 39.9 in September, 1940.

The cost of living rose from 92.0 in October to 92.9 in November, an increase of 8.7% since November, 1940.

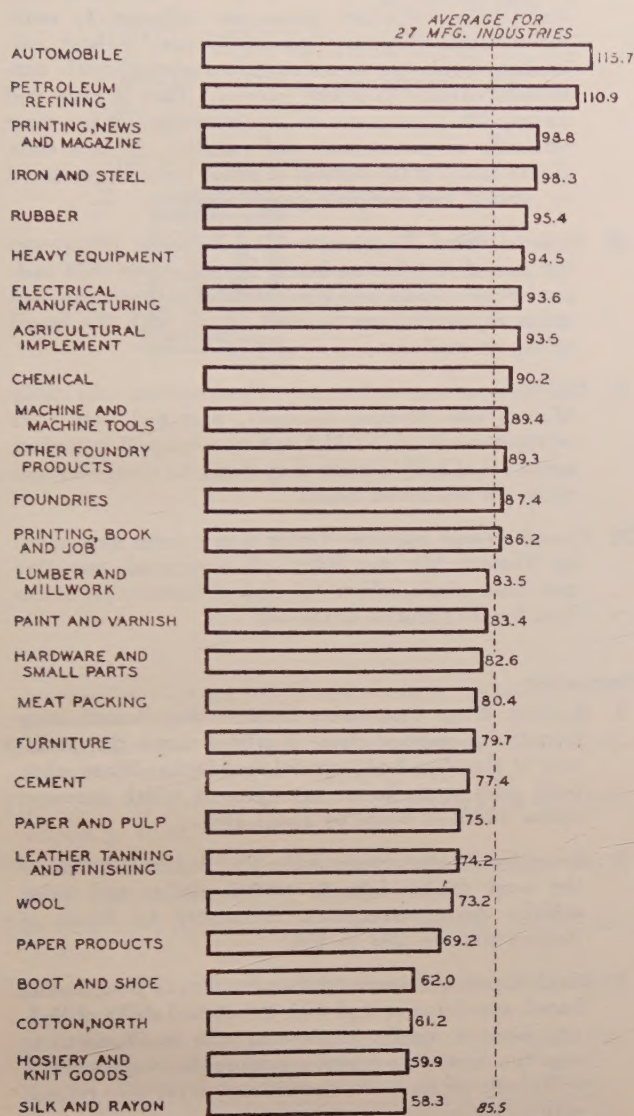
LABOR TRENDS IN TWENTY-FIVE MANUFACTURING INDUSTRIES AND THE COST OF LIVING

Source: THE CONFERENCE BOARD



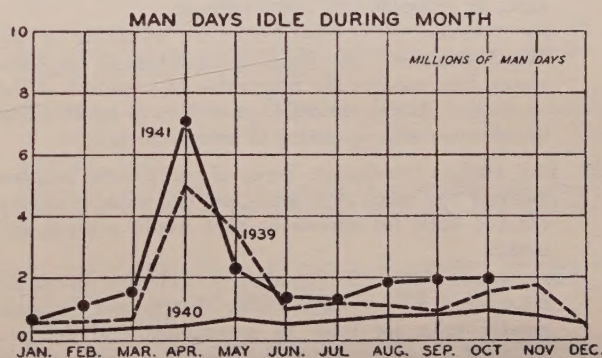
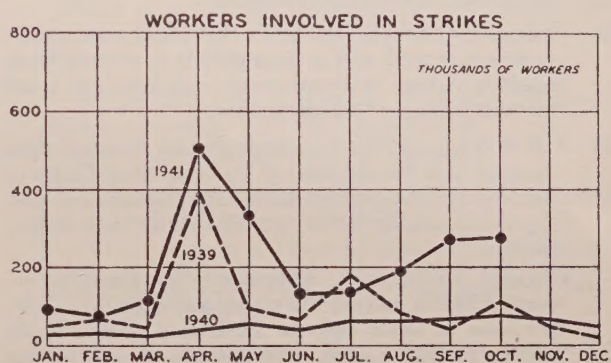
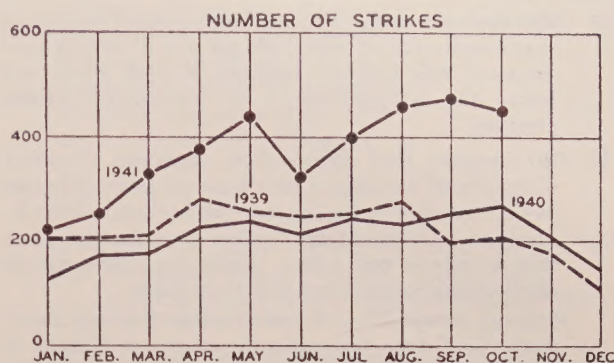
AVERAGE HOURLY EARNINGS IN CENTS, TWENTY-SEVEN MANUFACTURING INDUSTRIES, OCTOBER, 1941

Source: THE CONFERENCE BOARD



INDUSTRIAL DISPUTES

Source: United States Bureau of Labor Statistics



A Glance at Labor Statistics (Continued from page 166)

ber, 1940. The purchasing power of the dollar on the basis of the cost of living stood at \$1.076 in November, 1941, as compared with \$1.00 in 1923.

Real weekly wages, or the purchasing power of money wages, increased from 145.3 in September to 145.7 in October.

(This section, "A Glance at Labor Statistics," will not appear in subsequent issues of the enlarged *Conference Board Management Record* since the new publication will contain the complete statistical data relating to wages, hours, employment and cost of living hitherto published in the Labor Statistics Issue of *The Economic Record*.)

Chronology of Events Affecting Labor Relations (Continued from page 165)

November

- 15 *Labor Costs Rise 10%*—Federal Reserve Board announces that manufacturing labor costs per unit of output have increased 10% over the first half of 1940, which was before the inauguration of the emergency defense program.

- 17 *CIO Supports Coal Strike*—After endorsing President Murray's call for support of defense program, delegates to CIO Annual Convention vote full backing to John L. Lewis and United Mine Workers in strike for union shop in captive coal mines. Lewis supporters remain silent during endorsement of defense policy.

Railroads Accept Wage Award—Eastern Railroad Presidents' Conference announces acceptance of findings of President's fact-finding committee.

- 18 *Violence in Captive Mines Strike*—Efforts of some miners to return to work and of mass pickets to prevent them result in violence in Pennsylvania coal fields and a call for state troopers to maintain order.

- 19 *P.R.R. Signs with Union*—Pennsylvania Railroad signs contract with Brotherhood of Railroad Shop Crafts of America, an independent labor organization, embodying recommendations of the President's fact-finding board.

President Recommends Arbitration—The President requests UMWA and captive mines' management to submit issue of union shop to arbitration, award to be binding on both parties. Management representatives agree to proposal, but Lewis refuses.

Air Associates Head Ousted—On the insistence of the War Department, the Board of Directors of Air Associates, Inc., secures the resignation of president of the company. Action seriously questioned as constituting interference with operation of private property.

- 20 *Rail Parleys Deadlocked*—Series of conferences between railroad and union representatives end without having reached basis for agreement that would prevent rail strike.

Murray Re-elected CIO President—Concluding its annual convention, CIO re-elects Philip Murray and demands greater voice for labor in government and defense. James B. Carey re-elected Secretary-Treasurer and six vice presidents also re-elected.

- 22 *Mine Workers Accept Arbitration*—Reversing his position, John L. Lewis accepts President's proposal for arbitrating union shop issue in captive mine strike. Arbitrators to be himself, Benjamin F. Fairless, President of the United States Steel Corporation, and Dr. John R. Steelman, Director of the United States Conciliation Service.

President Continues Rail Conferences—Just as negotiations between railroad managements and unions were on the point of collapse the President's persuasion secures continuance of talks in attempt to find satisfactory basis for agreement.

- 24 *Jurisdictional Strikes Held Illegal*—President's fact-finding board, appointed to mediate dispute between

November

AFL Teamsters Union and AFL Brotherhood of Railway Clerks, holds that unions are obligated to settle jurisdictional disputes "peacefully and without embroiling employers or interrupting service, with consequent damage to public interest. That is plain and inescapable—emergency or no emergency. It is a duty primarily to government and people. It is a duty also to labor, in the interest of which alone there should be prompt and complete performance . . ."

- 25 *Railroad Board Reconvenes*—The President reconvenes the special fact-finding board in connection with railroad wage dispute and board invites management and union representatives to meet again, with the board acting as mediator.

- 27 *CIO Resignations not Accepted*—The President asks Philip Murray and Thomas Kennedy, who had been CIO representatives on NDMB and who resigned in protest against that body's union-shop stand, to reconsider and rejoin the Mediation Board.

- 28 *Canada Freezes Salaries*—Under a new order announced by Finance Minister Ilesley, all managerial, executive and other salaries above the rank of foreman are stabilized for the duration of the war.

December

- 1 *Railway Wage Controversy Settled*—Wage controversy threatening railroad strike is settled under the mediation of the President's special fact-finding board when both sides agree to an arrangement which increases initial award of board by about 10%.

- 3 *House Enacts Anti-Strike Bill*—The Smith Bill, one of the most drastic bills to control strikes and union activity during emergency, is enacted by House of Representatives, 252 to 136.

- 5 *Board Warns of Express Strike*—President's Fact-finding board, appointed to deal with threatened strike of Railway Express Agency employees, calls on President to urge the Agency to accept a compromise wage increase of 10 cents an hour, since award had so far been refused with threat of strike.

- 7 *Arbitrators Impose Union Shop on Captive Mines*—By a vote of 2 to 1, the special board of arbitration appointed by the President rules that captive mines must accept union-shop agreements. Steel companies and UMWA had agreed in advance to accept ruling of board. Benjamin F. Fairless, President of U. S. Steel Corporation, files dissenting opinion.

- 8 *War Declared*—With one dissenting vote, both houses of Congress concur in a declaration of a state of war with the Japanese Empire.

Organized Labor Calls for End of Strikes—Leaders of both AFL and CIO summon members to complete national service and end strikes interfering with defense.